

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5013-02
Bill No.: HB 1435
Subject: Tax Credits; Health Care; Revenue Department
Type: Original
Date: February 1, 2012

Bill Summary: This proposal removes the authority to transfer pregnancy resource center tax credits and the sunset.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 to (\$2,000,000)	\$0 to (\$2,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning (BAP)** assume this proposal removes provisions providing transferability of the Pregnancy Resource Center tax credit, which may impact the number of credits issued for this program. BAP does not have an estimate in the change of the number of credits issued.

This proposal removes the August 28, 2012 sunset for this program. Redemptions for this program totaled \$1,103,384 in FY11. This proposal will reduce General and Total State Revenues by similar amounts in FY13 and beyond, notwithstanding the change above.

Officials at the **Department of Revenue** and the **Department of Social Services** assume there is no fiscal impact from this proposal.

Oversight assumes this tax credit was to sunset on August 28, 2012. This proposal removes the sunset language which would extend the tax credit and therefore Oversight will show the loss to state revenue of the tax credits issued in FY 14. This tax credit has a statutory cap of \$2 million. In the last five years an average of \$1,301,308 credits have been issued. **Oversight** will range the fiscal impact of the program from \$0 to the annual statutory limit of \$2 million.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Revenue Reduction</u> - extension of the pregnancy resource tax credit	<u>\$0</u>	<u>\$0 to (\$2,000,000)</u>	<u>\$0 to (\$2,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 to (\$2,000,000)</u>	<u>\$0 to (\$2,000,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal removes the authority to transfer pregnancy resource center tax credits and the sunset.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning
Department of Revenue
Department of Social Services



Mickey Wilson, CPA
Director
February 1, 2012